TD/B/EX(4)/3

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Report of the Trade and Development Board on its fourth (pre-sessional) executive session

held at the Palais des Nations, Geneva,
on 13 September 1993

UNITED NATIONS

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Geneva

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CONTENTS

		Paragraphs
I.	INTRODUCTION	1 - 2
II.	MATTERS REQUIRING ACTION BY THE BOARD ARISING FROM OR RELATED TO REPORTS AND ACTIVITIES OF ITS SUBSIDIARY AND OTHER BODIES (agenda item 2)	3 - 10
	A. General debate	3 - 5
	B. Consideration of the reports and activities of the subsidiary bodies	6 - 10
	Item 2 (a) - Special Committee on Preferences, twentieth session	6
	Item 2 (b) - Ad Hoc Working Group on Comparative Experiences with Privatization, second session	7
	Item 2 (c) - Ad Hoc Working Group on Investment and Financial Flows, second session	8
	Item 2 (d) - Reconvening of the Joint UNCTAD/IMO Intergovernmental Group of Experts on Maritime Liens and Mortgages and Related Subjects	9 - 10
III.	PROCEDURAL, INSTITUTIONAL, ORGANIZATIONAL AND ADMINISTRATIVE MATTERS	11 - 31
	A. Opening of the session	11
	B. Bureau of the Board	12
	C. Adoption of the agenda (agenda item 1)	13
	D. Institutional, organizational, administrative and related matters (agenda item 3)	14 - 28
	Item 3 (a) - Treatment of new States members of UNCTAD	14
	Item 3 (b) - Membership of the Trade and Development Board	15
	Item 3 (c) - Membership of the Standing Committees and Ad Hoc Working Groups	16 - 17

CONTENTS (continued)

Paragraphs

Item 3 (d) - Membership of the Working Party on the Medium-term Plan and the Programme Budget for 1994 18

Item 3 (e) - Approval of the terms of reference of the Ad Hoc Working Group to explore the issue of structural adjustment for the transition to disarmament . . . . . 19 - 22

Item 3 (h) - Preparations for the thirtieth anniversary of UNCTAD in 1994 . . . . . 23 - 28

E. Nomination of officers for the Bureau of the fortieth session of the Board . . . . . 29 - 30

F. Report of the fourth (pre-sessional) executive session of the Board 31

ANNEXES

Annex

I. Agenda for the fourth (pre-sessional) executive session of the Trade and Development Board

II. Membership and attendance

I. INTRODUCTION

1. The fourth (pre-sessional) executive session of the Trade and Development Board was held at the Palais des Nations, Geneva, on 13 September 1993. The executive session consisted of one meeting - the 826th plenary meeting of the Board. The agenda of the fourth executive session is reproduced in annex I below.

2. Opening the meeting, the **President of the Trade and Development Board** referred to the momentous and historic event that was even now taking place in Washington D.C. with the signing of the agreement between Israel and the Palestine Liberation Organization that would bring to an end a hundred years of hostilities, pain and suffering. What was happening today had seemed improbable, if not impossible, a few days earlier. The agreement reached on the peace process showed clearly that pragmatism and dialogue could triumph over the scourges of war, hatred and hostility. The courageous steps taken towards the peace process needed all the support the international community could give, and this opportunity must not be lost. He believed that all members of the international community could contribute in their own way to strengthening the peace process. In particular, UNCTAD should make its contribution felt through the future work of the Special Economic Unit on Assistance to the Palestinian people.

II. MATTERS REQUIRING ACTION BY THE BOARD ARISING FROM OR RELATED TO REPORTS AND ACTIVITIES OF ITS SUBSIDIARY AND OTHER BODIES

(Agenda item 2)

A. General debate

3. The representative of **India** said that the work done by the Special Committee on Preferences was one of the more important undertakings of UNCTAD in promoting the economic development of the developing countries and the integrated growth of the world economy. Since its inception, the generalized system of preferences (GSP) had been a positive factor in trade creation and development. In the light of the provisions for fostering the GSP in paragraphs 134-138 of the Cartagena Commitment, his delegation was keenly looking forward to the twenty-first session of the Special Committee, which would be devoted to the preparation of the policy review of the GSP scheduled for 1995. The twenty-first session would thus be of great importance. The generalized character of the GSP and its principles of non-reciprocity and non-discrimination needed to be strengthened. Similarly, to impart stability and predictability to the system, preference-giving countries that had not already done so needed to renew their schemes for long-term spans. Other aspects such as harmonization of the rules of origin and product coverage would also have to be considered. The Special Committee should also keep in view the emerging regional integration schemes and make suitable recommendations to ensure that the benefits of the GSP were not eroded by such schemes. This applied also to preference-giving

countries that were not members of such regional schemes but which might become so in future.

4. The flexibility envisaged in the Cartagena Commitment for organizing the substantive work of UNCTAD aimed at reaching a better understanding of the issues through an in-depth discussion, which in turn would lead to negotiated agreements or conclusions. However, the Special Committee on Preferences had concluded the work of its twentieth session with a "Chairman's summary". Although an exchange of ideas could lead to better understanding, his delegation could not view UNCTAD as a forum confined merely to an exchange of experiences or ideas. Issues such as development and poverty alleviation were too important and vital to the welfare of the peoples of the developing countries to be treated as mere discussion topics. India looked forward to seeing the Committees of UNCTAD becoming result-oriented in terms of technical cooperation, concessional resource flows, preferred market access and technology. He therefore urged delegations to make greater efforts to reach a convergence of views.

5. The representative of **Belgium**, speaking on behalf of the **European Community and its member States**, said that the Community countries considered that it was perhaps too soon to undertake a general assessment of the work done by the Standing Committees and the Ad Hoc Working Groups cited under agenda item 2, since this was rather a matter for the mid-term review due to take place in 1994. Nevertheless, the Community wished to express its satisfaction at the manner in which the work of these bodies had been conducted. The discussions in the Ad Hoc Working Group on investment and Financial Flows and in the Special Committee on Preferences had been interesting and constructive. They had made for a better knowledge of the experience and positions of different countries, as well as a greater understanding of issues that impinged directly on trade and development. The Community countries had also appreciated the participation of numerous experts from various countries in the Ad Hoc Working Group on Comparative Experiences with Privatization. Their contribution amounted to a positive experience which was worth repeating. There might still be room for improvements in the organization of the work of these bodies, but on the whole the Community regarded the quality of the work done as an encouraging element for the follow-up process in the wake of UNCTAD VIII.

B. Consideration of the reports and activities of the subsidiary bodies

Item 2 (a) - Special Committee on Preferences, twentieth session (10-14 May 1993)

Action by the Board

6. The Board took note of the report of the Special Committee on Preferences on its twentieth session (TD/B/40(1)/10-TD/B/SCP/4) and endorsed the decision in annex I on preparations for the 1995 policy review on GSP.

Item 2 (b) - Ad Hoc Working Group on Comparative Experiences with Privatization, second session (7-11 June 1993)

Action by the Board

7. The Board took note of the report of the Ad Hoc Working Group on Comparative Experiences with Privatization on its second session (TD/B/40(1)/11-TD/B/WG.3/9).

Item 2 (c) - Ad Hoc Working Group on Investment and Financial Flows, second session (28 June - 2 July 1993)

Action by the Board

8. The Board took note of the report of the Ad Hoc Working Group on Investment and Financial Flows on its second session (TD/B/40(1)/12-TD/B/WG.1/8) and approved the recommendation of the Working Group to hold its third session from 10 to 14 January 1994.

Item 2 (d) - Reconvening of the Joint UNCTAD/IMO Intergovernmental Group of Experts on Maritime Liens and Mortgages and Related Subjects

9. The **President** recalled that, following the adoption by consensus of the International Convention on Maritime Liens and Mortgages 1993, in May 1993, and the signing of the Final Act, the Conference of Plenipotentiaries had unanimously adopted a resolution (A/CONF.162/8, annex I) in which it recommended that "the relevant bodies of UNCTAD and IMO, in the light of the outcome of the Conference, reconvene the Joint Intergovernmental Group with a view to examining the possible review of the International Convention for the Unification of Certain Rules Relating to the Arrest of Sea-going Ships, 1952 and invite the secretariats of UNCTAD and IMO, in consultation with relevant non-governmental organizations, such as the Comité Maritime International, to prepare the necessary documentation for the meetings of the Group."

Action by the Board

10. The Board endorsed the recommendation made in the resolution adopted by the Conference of Plenipotentiaries to reconvene the Joint UNCTAD/IMO Intergovernmental Group of Experts on Maritime Liens and Mortgages and Related Subjects in order to examine the possible review of the International Convention for the Unification of Certain Rules Relating to the Arrest of Sea-going Ships, 1952.

III. PROCEDURAL, INSTITUTIONAL, ORGANIZATIONAL AND ADMINISTRATIVE MATTERS

A. Opening of the session

11. The fourth (pre-sessional) executive session of the Trade and Development Board was opened on 13 September 1993 by Mr. Gündüz Aktan (Turkey), President of the Board during its current thirty-ninth session.

B. Bureau of the Board

12. There being no change in the current Bureau of the Board, the officers serving at the third executive session were as follows:

President: Mr. Gündüz Aktan (Turkey)

Vice-Presidents: Mr. Morris B. Abram (United States of America)
Mr. Abdeljebbar Brahime (Morocco)
Mr. Ludwik Dembinsky (Poland)
Mr. Jakob Esper Larsen (Denmark)
Mr. Carlos H. Matute Arias (Honduras)
Mr. Gian Nath (Mauritius)
Mr. Ri Tcheul (People's Democratic Republic of Korea)
Mr. Gleb Smirnov (Russian Federation)
Mr. Jorge Soruco (Bolivia)
Mr. Marcel P.C. van der Kolk (Netherlands)

Rapporteur: Mr. Banmali Prasad Lacoul (Nepal)

C. Adoption of the agenda

(Agenda item 1)

13. At its 826th meeting, on 13 September 1993, the Board adopted the provisional agenda for its fourth executive session as set out in TD/B/EX(4)/1 and Add.1. (For the agenda as adopted, see annex I).

D. Institutional, organizational, administrative and related matters

(Agenda item 3)

Item 3 (a) - Treatment of new States members of UNCTAD

14. The **President** drew attention to General Assembly resolution 47/232 of 28 July 1993, by which the Assembly had admitted the Principality of Andorra to membership in the United Nations. He informed the Board that, under the provisions of Assembly resolution 1995 (XIX), this new State Member had automatically become a member of UNCTAD, thus bringing UNCTAD's membership to 187.

Item 3 (b) - Membership of the Trade and Development Board

15. The Board admitted the Former Yugoslav Republic of Macedonia to membership of the Trade and Development Board - bringing the Board's membership to 138.

Item 3 (c) - Membership of the Standing Committees and Ad Hoc Working Groups

16. The **President** recalled that, at its 824th plenary meeting, on 24 March 1993, the Board had confirmed the membership of the four Standing Committees and the core membership of the five Ad Hoc Working Groups, and had noted that any changes or omissions should be communicated to the Secretary of the Trade and Development Board. Document TD/B/INF.190 reflected the changes since then and before 24 June 1993. Any omissions or erroneous entries should be communicated to the Secretary of the Board.

Action by the Board

17. The Board took note of document TD/B/INF.190.

Item 3 (d) - Membership of the Working Party on the Medium-term Plan and the Programme Budget for 1994

18. The **President** stated that, as a result of consultations among member States, the following 19 States had been designated as members of the Working Party for 1994:

Argentina
Australia
Bangladesh
China
Czech Republic
Denmark
India
Japan
Netherlands
Nigeria
Peru
Poland
Russian Federation
Sri Lanka
Tunisia
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Venezuela

Item 3 (e) - Approval of the terms of reference of the Ad Hoc Working Group to explore the issue of structural adjustment for the transition to disarmament

19. The **President** recalled that, at the second part of the thirty-ninth session, the Board had reached consensus agreement:

(a) to request the President of the thirty-ninth session of the Board to conduct informal consultations on the draft terms of reference and the timetable of the Ad Hoc Working Group to explore the issue of structural adjustment for the transition to disarmament with a view to facilitating a prompt decision on this issue by the Board;

(b) to request the Secretary-General of UNCTAD to prepare revised draft terms of reference of the Ad Hoc Working Group, taking into account views and statements on this issue, as well as a compendium of comments submitted by member States, and to circulate both documents well in advance of the informal consultations mentioned above;

(c) to establish, at the first part of the fortieth session of the Board, the terms of reference of the Ad Hoc Working Group to explore the issue of structural adjustment for the transition to disarmament as well as its timetable. It was suggested that the first session of the Ad Hoc Working Group should take place as early as possible in 1994.

20. The two documents requested from the secretariat had been circulated in TD/B/40(1)/Misc.1 of 3 May 1993, which contained revised draft terms of reference for the Ad Hoc Working Group, and in TD/B/EX(4)/2 of 9 August 1993 containing comments submitted by some member States on the draft terms of reference of the Group.

21. Reporting on the informal consultations which he had held with the members of the Board on 8 September 1993, he said that several delegations had expressed their views on the draft terms of reference circulated by the secretariat. Furthermore, one delegation had circulated its own proposal on these draft terms of reference. The consultations had not been conclusive, as delegations needed more time to discuss in and among groups in order to reach consensus. It had therefore been recommended that further consultations be held on 17 September 1993.

Action by the Board

22. The Board agreed that further consultations be held on this issue on 17 September 1993, as recommended, and that the President would report on the results of these consultations to the Board at the first part of its fortieth session, under the appropriate agenda item.

Item 3 (h) - Preparations for the thirtieth anniversary of UNCTAD in 1994

23. The representative of **Argentina** said that the first session of the Conference in 1964 had perhaps been the most important economic event since the Havana Conference in 1948. In 1964 there had been a general awareness, especially on the part of the developing countries, of the need to complete the rules of the economic system and to strengthen North-South cooperation. At that time, the talk had been of asymmetries and of the gap between the resources available and those needed to attain certain GNP growth targets. Ever since that first session, the UNCTAD forum had been elaborating proposals and debating a great many ideas. Some of these ideas had not proved effective or acceptable for certain countries, but on balance the achievements of UNCTAD were valuable - notably the GSP and the establishment of the Common Fund for Commodities. The work done by UNCTAD over the past 30 years thus weighed heavily in the international system. However, UNCTAD had lost some of its vitality around the beginning of the 1980s, and the whole international community had contributed ideas at UNCTAD VIII in Cartagena to reinvigorate this important forum. At Cartagena, UNCTAD had been adapted to new realities and ideas.

24. The intellectual contribution made by UNCTAD and the proposals and policies should not be consigned to oblivion in the many reports that lined the library shelves. For UNCTAD was possibly the most imaginative forum in the United Nations system, or at any rate the forum to which the most ideas were contributed and in which so much effort was made to ensure the coexistence of countries of widely divergent levels of development and very different national policies. Accordingly, his delegation believed that the thirtieth anniversary offered an opportunity not only to pay homage to UNCTAD but also to rethink and reflect on one of the central aspects of the system of relations among nation States and of the world system.

25. At this time of profound change, there were two facts which undoubtedly affected all countries. First, the economic theories which had underpinned the divergent perceptions of reality had become obsolete. Secondly, the realities governing the world economic system had changed totally in the past 10 years, especially the concept of sovereignty, the role of technology, the globalization of the economy, the welfare State, the issue of unemployment, migration, and the reinstatement of the market economy.

26. The celebration of the thirtieth anniversary could, in his view, serve as an occasion for reflection and stock-taking. His delegation believed that it would be useful to hold consultations on the possibility of convening four or five large-scale seminars in the different regions, which would invite the participation of officials, diplomats, politicians, thinkers, economists, philosophers - i.e. people who think about world realities. The themes dealt with in these seminars could be divided into three categories: (i) a review of the balance of what had been achieved; (ii) an analysis of the new realities; and (iii) an exchange of new ideas for the twenty-first century. The current challenges were pressing and development was primordial for world peace and stability. He felt that these themes would be a good input to the anniversary celebrations, making them something more than a ceremonial occasion - an opportunity in fact for reflecting on what had been done and what could now be done in the new world situation.

27. The **President** observed that the representative of Argentina had made a very positive and interesting intervention. The views and reflections expressed would be taken into account during the consultations which he proposed to hold on this subject on 15 September 1993.

Action by the Board

28. The Board decided that the consultations on this item agreed to at the second (pre-sessional) executive session should be held on 15 September 1993 and that the President would report the outcome to the Board at the first part of its fortieth session under "Other business".

E. Nomination of officers for the Bureau of the fortieth session of the Board

29. The **President** recalled that the Bureau of the Board, as stipulated in rules 18 and 29 of the rules of procedure, shall consist of 12 members: 6 from Lists A and C combined, 4 from List B and 2 from List D. Furthermore, in accordance with the cycle of rotation, the President of the fortieth session of the Board shall be from one of the States members of List A (Asia) and the Rapporteur from List B. He recalled further that, at its second (pre-sessional) executive session on 5 March 1993, the Board had designated Mr. Al Sherif Fawaz Sharaf (Jordan) as President of the Board at its fortieth session.

Action by the Board

30. The Board completed the nomination of officers for the Bureau of its fortieth session as follows:

Rapporteur designate:	Mr. Marcel Van der Kolk (Netherlands)
Vice-Presidents designate:	Mr. A. Pinoargote Cevallos (Ecuador) Mr. Satish Chandra (India) Mr. Mohamed Ennaceur (Tunisia) Mr. Akio Ijuin (Japan) Mr. Richard A. Pierce (Jamaica) Mr. Clarke Rodgers Jr. (United States of America) Mr. Ali Ahmed Sahloul (Sudan) Mr. Yuri Afanasiev (Russian Federation) Mr. Jean de Schoutheete de Tervarent (Belgium) Mr. Zdenek Venera (Czech Republic).

F. Report of the fourth (pre-sessional) executive session of the Board

31. The Board authorized the Rapporteur, in consultation with the President, to prepare the report of the Board on its fourth (pre-sessional) executive session.

ANNEXES

Annex I

AGENDA FOR THE FOURTH (PRE-SESSIONAL) EXECUTIVE SESSION OF THE TRADE AND DEVELOPMENT BOARD

1. Adoption of the agenda of the session

2.* Matters requiring action by the Board arising from or related to reports and activities of its subsidiary and other bodies

   (a) Special Committee on Preferences, twentieth session (10-14 May 1993)

   (b) Ad Hoc Working Group on Comparative Experiences with Privatization, second session (7-11 June 1993)

   (c) Ad Hoc Working Group on Investment and Financial Flows, second session (28 June - 2 July 1993)

   (d) Reconvening of the Joint UNCTAD/IMO Intergovernmental Group of Experts on Maritime Liens and Mortgages and Related Subjects

3.* Institutional, organizational, administrative and related matters

   (a) Treatment of new States members of UNCTAD

   (b) Membership of the Trade and Development Board

   (c) Membership of the Standing Committees and Ad Hoc Working Groups

   (d) Membership of the Working Party on the Medium-Term Plan and the Programme Budget for 1994

   (e) Approval of the terms of reference of the Ad Hoc Working Group to explore the issue of structural adjustment for the transition to disarmament

   (h) Preparations for the thirtieth anniversary of UNCTAD in 1994.

4. Nomination of officers for the Bureau of the fortieth session of the Board

5. Other business

6. Report of the fourth (pre-sessional) executive session of the Board.

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* Items 10, 11(a) to 11(e) and 11(h) of the provisional agenda for the first part of the fortieth session of the Board.

Annex II

MEMBERSHIP AND ATTENDANCE*

1. The following States members of UNCTAD, members of the Board, were represented at the session:

Algeria
Argentina
Australia
Austria
Belgium
Brazil
Burundi
China
Colombia
Czech Republic
Democratic People's Republic of Korea
Denmark
Dominica
Ecuador
Egypt
El Salvador
Finland
France
Germany
Greece
Hungary
India
Indonesia
Iraq
Ireland
Italy
Jamaica
Japan
Jordan
Kenya
Libyan Arab Jamahiriya
Madagascar
Malaysia
Malta
Mexico
Mongolia
Morocco
Nepal
Netherlands
Nigeria
Norway
Pakistan
Paraguay
Peru
Poland
Portugal
Republic of Korea
Romania
Russian Federation
Senegal
Slovakia
Spain
Sri Lanka
Sudan
Switzerland
Syrian Arab Republic
Thailand
Tunisia
Turkey
Ukraine
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Zimbabwe

2. The International Trade Centre UNCTAD/GATT was represented at the session.

3. The following specialized and related agencies were represented at the session:

Food and Agriculture Organization of the United Nations
International Monetary Fund

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* For the list of participants, see TD/B/EX/INF.5.

4. The following intergovernmental organizations were represented at the session:

European Economic Community
International Organization for Migration
League of Arab States

5. The following non-governmental organizations were represented at the session:

General Category

Women's International League for Peace and Freedom
World Association of Former United Nations Interns and Fellows
World Federation of United Nations Associations

Special Category

International Air Transport Association

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